

CO-OPERATIVE FEDERATION OF VICTORIA LTD

MINUTES OF BOARD MEETING

held at Purchasing Victoria, Milton Parade, Malvern, on

THURSDAY 17 JULY 1997

28/97 PRESENT:

D. Griffiths
B. Harford
V. Hughes
G. Johnston
V. Ogier
E. Pearcey
A. Gill Secretary

29/97 QUORUM:

As a quorum was not achieved, the directors present agreed to hold the meeting in committee. The directors expressed concern at not being able to achieve a quorum for the past two meetings. David Griffiths and the secretary offered to look at options for dealing with the problem.

30/97 ELECTION OF ACTING CHAIRMAN:

The secretary advised that due to illness, John Gill has offered his apology to the meeting. The secretary took the chair and called for nominations for an acting chairman of the meeting. David Griffiths, having being the only nomination received, agreed to chair the meeting.

Resolved

"That David Griffiths chair this meeting."

"That the secretary convey the board's best wishes to John Gill for a speedy recovery and that the directors look forward to John's continuing role with the Federation."

31/97 APOLOGIES:

G. Andrews, J. Gill.

Resolved

"That the apologies be accepted."

32/97 MINUTES PREVIOUS MEETING:

Due to a lack of quorum, the directors deferred consideration of the minutes of the last board meeting until the next board meeting.

33/97 BUSINESS ARISING FROM MINUTES:

Co-operative Opportunities Project

Vern Hughes tabled a progress report on the health and forestry papers.

Resolved

"That the precise focus of the Health Insurance Task Group on co-operative opportunities in health care be determined at the next Board meeting on 21 August with recommended terms of reference being provided to the board before its next meeting."

New Opportunities seminar

Vern Hughes tabled a draft program for the seminar, and confirmed the availability of Mark Latham MP on 11 September. Vern Hughes invited comment on the draft program.

Resolved

"That the seminar be held at the venue of the annual meeting from 2.30 pm to 5 pm, and that an invitation to members be sent with the annual meeting notice to members."

Rural communities conference

Vern Hughes tabled a project proposal for a two part approach to the proposed conference; a one day seminar in 1997 followed by a conference in 1998.

Resolved

"That up to \$2,000 from grant allocations be made available for the organisation of the initial one day seminar in November."

Agro-forestry conference

The secretary reported that he was successful in getting onto the program for the conference to talk about treegrowers marketing co-operatives.

Promotion of activities

The secretary reported that the health insurance task group, small hospital seminar, AGM seminar, and planning process for the rural communities conference were publicised in the Autumn edition of the *Victorian Co-operative News*.

Portfolios

The secretary reported that he has had discussions with Vern Hughes on the allocation of portfolios to directors, and that further work needs to be done on the initiative before submitting a proposal to the board.

Ex-director protection package

The secretary reported that a number of members have sought further information from Stone & Partners regarding the protection package.

Framework for policy development

David Griffiths reported that a paper he is preparing on a framework for policy development has not yet been completed.

Co-operative Awards

David Griffiths tabled a proposal for Co-operative Awards, and he undertook to contact each director seeking comments on the document for a decision at the next ordinary board meeting.

Letter to Minister for Fair Trading

The secretary advised that the letter to the Minister for Fair Trading on companies becoming co-operatives has been sent.

34/97 CORRESPONDENCE:

Incoming and outgoing correspondence was tabled.

Resolved

"That incoming correspondence be received and outgoing correspondence be approved."

35/97 MEMBERSHIP:

CEHL request to become a member of the Federation

The secretary advised that a reply has not been received from the Registrar of Co-operatives on the co-operative status of CEHL.

Applicants for membership

The secretary advised that one application for membership has been received since the last board meeting.

Resolved

"That the following co-operative be approved for membership of the Federation and the accompanying shares allotted:

<i>Name of applicant</i>	<i>Shares to be allotted</i>
<i>Northcote Rental Housing Co-operative Ltd</i>	<i>531 to 535."</i>

Member delegates

Resolved

"That the following delegates be accepted pursuant to the rules:

<i>Name of Nominee</i>	<i>Member Co-operative</i>
<i>Mr David Brentnall</i>	<i>Consolidated Herd Improvement Services</i>
<i>(in place of K. Chester)</i>	<i>Co-operative Ltd</i>
<i>Mr Peter G. Bolton</i>	<i>Hopetoun Community Hotel Co-operative Ltd."</i>

Cancellation of shares of unfinancial members

The secretary advised that three members have not paid their 1996/97 annual subscriptions by the due date of 30 June, 1997. Two members cannot be found while Flemington Child Care Co-operative Ltd has advised that they cannot afford to renew membership of the Federation.

The secretary advised that, pursuant to the rules of the Federation, the below named co-operatives ceased membership on 30 June, 1997, and recommended that the Board cancel their shares.

Resolved

"That the shares of following co-operatives be cancelled and the monies allocated to the forfeited share reserve:

Name of ex-member	Shares to be cancelled
<i>Para Park Co-operative Game Reserve Ltd</i>	<i>316 to 320</i>
<i>Flemington Child Care Co-operative Ltd</i>	<i>436 to 440</i>
<i>Metro CERC Co-operative Association Ltd</i>	<i>446 to 450."</i>

36/97 FINANCIAL REPORT:

Profit and loss statement etc

Preliminary end of year profit & loss statement and balance sheet, and bank balance at 30 June, 1997 were received.

The secretary reported that:

- the Federation has made a notional surplus for the 1996/97 financial year, excluding end of year accounting and audit fees.
- in the administration category income exceeded budget and most expenses were under budget.
- books sales exceeded budget.

Resolved

"That the financial reports be adopted."

"That the secretary add to the financial reports any significant increases in actual expenditure versus budget."

Member subscriptions

The secretary reported that of the Federation's 62 members at 30 June 1997, 59 had paid \$30,464 in annual subscriptions.

Commissions earned by secretary from new members

The secretary tabled the following report on commissions he has received from new members for the 1996/97 financial year.

New member	Subs paid	Yearly subs	Commission
Architeam Co-operative	150	150	60
Ballarat Taxis Co-operative	85	300	34
Central Sires Co-operative	25	50	10
Geelong Radio Cabs Co-op	300	300	120
Hopetoun Community Hotel	100	200	40
Muslim Community Co-op	200	200	80
Phoenix Management Co-op	25	50	10
Rural Industries Co-op	25	50	10
Terang & District Co-op	750	1,500	300
Vic Venison Producers' Co-op	400	400	160
Warm Corners Co-op	25	50	10
Wombat Co-operative	25	50	10
TOTALS	\$2,110	\$3,300	\$844

1996/97 Audit

The secretary reported that he was meeting the auditor on 28 July, and that the end of year accounts etc will be ready for consideration at the next board meeting.

Accounts payable

The secretary tabled a list of accounts for May and June 1997 for payment.

Resolved

"That the accounts as appended be approved for payment."

Term deposit

The secretary advised that Commonwealth Bank term deposit of \$15,000 plus interest, is due to mature on 31 July and recommended that \$10,000 be withdrawn to meet expenses over the next few months and to roll over the balance for a further 180 days.

Resolved

"That \$10,000 be withdrawn from Commonwealth Bank term deposit at maturity to meet expenses over the next few months and to roll over the balance for a further 180 days."

37/97 ANNUAL GENERAL MEETING:

Date and venue of 1997 annual meeting

The secretary advised that he has tentatively booked the RACV Club for Thursday 11 September after Vern Hughes confirmed availability of Mark Latham for the new opportunities seminar. Directors also discussed whether or not to have an annual dinner.

Resolved

"That the annual meeting be held at the RACV Club on Thursday 11 September, commencing at 5.30pm."

"That there be no annual dinner this year."

Annual subscription schedule

The Secretary tabled a recommended annual subscription schedule to be put to members at the annual meeting.

Resolved

"The Board accepts the recommended annual subscription schedule."

Retiring Directors

The secretary advised that at the 1997 annual meeting, 3 directors retire by rotation. Two positions are presently vacant and the other being held by Vern Hughes. The secretary is awaiting confirmation from South Kingsville Health Services Co-operative Ltd that it wishes to renominate Mr Hughes.

Mr Hughes advised that he may not be renominated by his co-operative. Directors discussed various options for creating a position for Mr Hughes.

Resolved

"That the secretary follow up whether or not the Federation can have independent directors, and if in the affirmative, advise members that the board will be recommending an amendment to the rules to permit independent directors."

Co-operatives legislation

The secretary reported that the regulations and model rules have not yet been completed by the Office of Fair Trading and, as a consequence, the starting date of the *Co-operatives Act 1996* will be put back to later in September or October.

The secretary advised that the regulations are due to be released shortly for public comment for one month, and that the Federation will have the opportunity to comment on them.

The secretary further reported that the regulations are likely to prescribe minimum transaction levels for determining active membership, and that producers and trading co-operatives be canvassed upon the public release of the regulations on the likely effect of the proposed minimum criteria.

Resolved

"That the secretary canvass producer and trading co-operatives on the likely effect of the active membership minimum requirements."

Information program

Fact sheets

The secretary tabled 15 draft fact sheets prepared by himself and Corrs Chambers Westgarth.

Resolved

"That the secretary distribute the completed fact sheets to directors prior to the next meeting."

Chief Parliamentary Counsel of Victoria

The secretary reported that he has yet to receive a reply a letter to the Chief Parliamentary Counsel of Victoria seeking permission to reprint extracts of the act for the purposes of the information program.

Information seminars

The secretary reported that Corrs Chambers Westgarth has put forward an indicative fee of \$5,000 for making a presentation to the seminars and that he believed that CCW may accept a lower fee in light of their exposure to co-operatives. The secretary also sought the directors' views on offering free places to members of the Federation.

Resolved

"That up to \$3,000 be allocated for Corrs Chambers Westgarth to make a presentation at the legislation information seminars."

"That members be offered two free places at the seminars with additional delegates be charged a token amount."

Issues paper on federation's rules

The secretary reported he is awaiting the final draft of the regulations and model rules before completing the issues paper.

Other reports

The secretary tabled an article from the Nonprofit Management Institute's *Association Times* newsletter on the new Co-operatives Act, and he highlighted the negative sentiments expressed towards co-operatives.

Resolved

"That the secretary write to the Association Times highlighting the positive features of the Co-operatives Act and co-operatives generally."

39/97 BUSINESS ADVISORY COMMITTEE

Ordering 100 copies of Reinventing the Co-operative

The secretary reported that 100 books have been ordered from the Plunkett Foundation and that the second edition of *Reinventing the Co-operative* will not be available until later in the year. The secretary further reported that new promotional material on the Plunkett books will also not be available until later in the year.

Sale of books to libraries.

The secretary tabled a report on the method of selling books to public and university libraries.

Resolved

"That the secretary proceed with marketing Plunkett books to libraries and the Agriculture Victoria bookshop."

Other reports

David Griffiths gave a summary of the activities of the Committee and advised that it will be considering goals at its next meeting.

40/97 SECRETARY'S REPORT:

Australian Stock Exchange meeting

The secretary reported that 3 co-operative companies, Murray Goulburn Co-operative Co, PIVOT and Victorian Producers' Co-operative Co, were represented at the meeting together with the Macquarie Bank and Corrs Chambers Westgarth. While the discussion was useful, there appeared to be limited interest by the co-operatives in the listing of shares on the exchange. The chairman (John Gill) determined that a submission on the issue was not warranted.

Tasks performed May - June

The secretary gave a summary of his activities for May and June.

Co-operatives Council of Australia

The secretary reported that Council meet in Melbourne on 15 July and that Vern Hughes attended the meeting. Matters under consideration included identifying national issues, allocating portfolios to different state federations and co-operatives legislation. The federation was offered the *Image of Co-operatives* and *Competition Policy* portfolios. The secretary and Mr Hughes observed that the Council needs to explore the practicalities of the dealing with national issues as a state based organisation.

Weekly Times article

The secretary tabled an article from *The Weekly Times* newspaper suggesting that there will be an avalanche of co-operatives wishing to become listed companies. The board asked the secretary to respond to the article.

41/97 GENERAL BUSINESS:

There was no general business.

42/97 NEXT MEETING:

Resolved

"That the next ordinary board meeting be held at the premises of Purchasing Victoria Co-operative Ltd, 11 Milton Parade, Malvern on Thursday 21st August 1997 commencing at 11.00 am."

43/97 CLOSE:

The meeting closed at 1.00 pm.

Signed Date:/...../ 1997
(Chairman)